you are opting for commodities and goods and services and you are by-passing the export of industrial products ? Despite changes in trade and industrial policies, lack of technological dynamism in the industry has checked the growth of exports. Foreign collaboration, though an important source of technology, is not enough. Massive investment in R & D is required and more and more modernisation of plants is needed. Will the Government take steps and ask the industry to invest more and more in R & D experiments ?

SHRI PRANAB MUKHERJEE : Madam, during the Question Hour I cannot explain the policy matters how to improve the competitiveness of the Indian industry so that the share of the manufactured items in our exports basket can be increase and stepped up. It is true that the contribution of agriculture has increased substantially even in terms of percentage. There is a 38% increase in the year 1992-93 compared to 1991-92. I do agree that it is not matching to the potentialities which we have. In respect of that suggestion which the hon. Member has made about the impact on the domestic market of certain agricultural commodities, when we are emphasising on exports, our approach has been that if we can simply prevent wastage which takes place in agricultural commodities in this country by providing the necessary technological and marketing inputs to the farming community, we can generate adequate surplus for exports, for example, India is the second largest vegetable producer and the second largest fruit producer. Therefore, the concept that if we encourage agricultural exports there will be constraints in the domestic market is not really relevant. So far as the import of technology and also facilitating the improvement of technological strength of the domestic industry are concerned, we are always giving encouragement to them and we are also giving encouragement for improving the research and development. The various fiscal concessions which my colleague in the Finance Ministry gives to this sector, I do feel, will be availed of.

DR. NAUNIHAL SINGH : Madam Deputy Chairman, will the hon. Minister state whether the Government is considering a proposal to join either of the there emerging regional trade groupings such as the Economic Community, the North American Free Trade Agreement (NAFTA) or the Asia Pacific without prejudice to its pursuit of a successful conclusion of the Uruguay Round of Multilateral Negotiations, as a strategy to boost exports ? If so, what are the details ? If not, what are the reasons ?

SHRI PRANAB MUKHERJEE : Madam, in fact, the hon. Member himself has answered the question which he put by saying that India's traditional position has been to encourage the multilateral trade arrangement. Rule-based multilateral trade arrangement is preferable to us. But at the same time we cannot ignore the fact that in various parts of the world different trading blocs are emerging and NAFTA is the latest in the series. So far as our approach to the regional trade blocs is concerned, it would depend on our mutual interest. But we do encourage having rule-based multilateral for which will give advantages to developing countries like India.

**Export of Agricultural Produce**

*45. SHRI S. S. SURJEWALA : Will the Minister of COMMERCE be pleased to state :

(a) what concrete steps have been taken by Government to benefit the farmers through export of their agricultural produce in pursuance of the proposal already announced by Government;

(b) whether Government proposed to permit individual farmers/farmers' co-operatives to export their produce: and

(c) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL SUPPLIES, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION AND MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI KAMALUDDIN AHMED) : (a) to (c) A statement is laid on the Table of the House.

**Statement**

(a) to (c) Agricultural exports provide Indian farmers access to a larger market and better returns. Government plans to promote the export of agricultural commodities like superfine varieties of rice, fresh fruits and vegetables, processed foods, cashew kernels, spices, oil cakes, meat and meat products, etc., in a big way. This is considered essential to step up investment in the agricultural sector, raise levels of income and employment in the rural areas and promote sustainable growth with equity. With the same objectives Government is also according high priority to the establishment of export oriented units (EOUs) in this sector. The units in this sector can now import capital goods and equipment easily at concessional rate of duty. Various inputs and materials required in agriculture and allied activities have also been made freely importable. Introduction of unified exchange rate, simplification of pre-shipment inspection on export of agricultural commodities and changes and simplification in the Export Import Policy and procedures are all aimed at promoting exports of agricultural commodities.

The farmers or farmers' co-operatives can also take advantage of this new policy environment and export their produce directly if they so wish.

SHRI S. S. SURJEWALA : Madam, in reply to my question the hon. Minister has stated that Government plans to promote export of agricultural commodities like superfine varities of rice, etc. I would like to know what the volume of export of superfine *basmati* rice, wheat and cotton was during the year 1990-91, 1991-92, 1992-93. I would also like to know whether the Government would consider entering into the market for purchase of *basmati* and superfine *basmati*. I would like to inform the hon. Minister that farmers in the northern States like Punjab, Haryana, UP and other States are forced to resort to distress sale of superfine *basmati*. It is sold at Rs. 500 per quintal. Earlier its price had never fallen beyond Rs. 1000 per quintal. It was normally sold at Rs. 1600 per quintal. But during this season the price of superfine *basmati* has fallen considerably. Will the Government consider entering into the market and coming to the rescue of the farmers by purchasing *basmati* rice for export ?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE) : Madam, so far as the question of *basmati* rice is concerned, I have stated it in the statement and on earlier occasions also I stated, that there is no restriction. So far as other varieties of superfine rice are concerned, there is some informal ceiling. Perhaps the hon. Member and other hon. Members of the House will agree with me that when we export certain commodities in bulk we should not disclose as to how much quantity we are going to export or import. It always affects the international market. So far as other varieties of superfine rice are concerned, there is an informal ceiling. In respect of the problems which the farmers in Punjab and Haryana are facing due to central local laws which are prevailing there, I have already taken it up with various State Governments, particularly in these two States, so that the obstructions which are standing in the way of exports, of providing an opportunity to farmers to have larger access to the market, should be removed.

SHRI S. S. SURJEWALA : Madam, in reply to my question the hon. Minister has state :

> "The farmers or farmers' co-operatives can also take advantage of this new policy environment and export their produce directly . . ."

I would like to know on what terms and conditions a farmer or a cooperative can export. I would also like to know whether any licence is required or not for an individual or for cooperatives. What are the conditions ?

SHRI PRANAB MUKHERJEE: Madam, there is no conditions. Exports and imports are totally free. It does not require any licence except for the items which are put in the negative list and cannot be exported

or imported. All other items can be done freely.

DR. YELAMANCHILI SIVAJI : Madam, in the list of goods mentioned by the Minister, conspicuously, goods like tobacco and cotton are missing. What is the thinking of the Government in regard to export and promotion of export of cotton and tobacco ? Part 'b' of my question is : The hon. Minister mentioned about simplification of pre-shipment inspection on export. Madam, is it a fact that every consignment of agri-products that were exported to other countries could not be shipped and could not be unloaded at various ports in other countries for want of quality control and for exporting substandard stuff ? What steps does the Government propose to take to ensure quality and to augment quality control of agri-products ?

SHRI PRANAB MUKHERJEE : So far as quality is concerned, it has always been our effort and it is not a question of our efforts alone; After all those who are going to buy goods and services from our country must be assured that it will be according to the quality and standards they want. If it does not pass the test of their quality and standard, naturally, they will not like to have it. So far as the question of having some sort of artificial inspecting arrangement in the name of quality is concerned, a lot of complaints were received from the exporting community and even from the importers and the importing countries that it caused unnecessary delay and harassment. Therefore, we are gradually leaving it to the traders themselves because if we are not quality-conscious, we cannot sell our goods and those who buy it, it is for them to find out whether it is going to be according to their quality standards. Therefore, should there be an agency, in between, just to cause unnecessary delay ?

THE DEPUTY CHAIRMAN : Question No. 46.

DR. YELAMANCHILI SIVAJI : The first part of my question about tobacco has not been answered.

**Import of Raw Jute**

*46. SHRI CHATURANAN MISHRA : SHRI GURUDAS DAS GUPTA : Will the Minister of COMMERCE be pleased to state:

(a) whether Government have decided to allow import of raw jute on the Open General Licence (OGL); and

(b) if so, the details thereof and the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL SUPPLIES, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION AND MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI KAMALUDDIN AHMED) : (a) and (b) Under the current Export & Import Policy effective from 1-4-1992 and valid for a period of five years, all items of raw materials, can be imported freely except those which are covered by the Negative List of Imports or by any provision of the Policy or any other law for the time being in force. Since import of jute is not covered by any of the above restrictions, its import is freely allowed.

THE DEPUTY CHAIRMEN: Gurudasji please be brief so that you can get an answer.

SHRI GURUDAS DAS GUPTA : Is the Government aware that in view of the decline in the price of raw jute in Bangladesh and in view of the fact that the price of raw jute in the eastern parts of the country is a little higher than that, there is a move on the part of delinquent jute magnates to bypass the Indian market and to import raw jute from there and reap high profits ?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE) : Madam, my information is totally different and that is, Bangladesh is reluctant to give jute to us and if this information is correct, surely, I would like to take it up with Bangladesh and instead of sending jute through a clandestine route there should be a regular trade route.

*The Question was actually asked on the floor of the House by Shri Gurudas Das Gupta.